

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
November 9, 2010

Chairman Boyd called the meeting to order at 10:00 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - Hilda Fernandez

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Bill Cottle	Fund Evaluator, Milliman
Zander Grant	Investment Manager, Wellington

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and Unanimously

RESOLVED That one request for payment for conferences on behalf of James Boyd be added to the Consent Agenda.

A motion was made by Ms. Fernandez duly seconded by Ms. Walker, and unanimously

RESOLVED That the Consent Agenda, less item C-13, Requests for Payment (Conferences) be approved as presented.

A motion was made by Mr. McKinnon duly seconded by Mr. Horday, and with Mr. Green abstaining, it was

RESOLVED That Item C-13, Requests for Payment (Conferences), be approved as presented, except for James Boyd's travel expense reimbursement in the amount of \$176.24.

A motion was made by Mr. McKinnon duly seconded by Mr. Sinkes, and with Mr. Boyd abstaining, it was

RESOLVED That James Boyd's travel expense reimbursement in the amount of \$176.24 be approved as presented.

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A motion was made by Mr. Green seconded by Mr. Horday, and Unanimously

RESOLVED That Item R-2(D), Pension Charter legal opinion, be added to the Regular Agenda.

CONSENT AGENDA

C-1 The Minutes of the October 12, 2010 were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>	<u>APPOINTMENT</u>
John Ramirez	19571	Air Cond. Mech	CWA	4/5/2010	10/11/2010
Cynthia Curry	19657	Ex Ast to CM/BLDG	UNCL	9/7/2010	
Katherine Martinez	19658	Homeless PG Coord	UNCL	9/13/2010	
Robert Santos-Alborna	19661	Sr. Admin. Manager	UNCL	9/20/2010	
Rafael Granado	19663	HR Assistant Dir.	UNCL	9/29/2010	
Barbara Paredes	19664	Office Associate V	UNCL	10/4/2010	
Marie Severe	19673	Financial Analyst I	UNCL	11/1/2010	

C-3 New Retiree Allowances were approved as follows - (None)

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Bertha Fortunato	11/01/2010	Ordinary Retirement	\$2,502.99
Manuel Viera	11/01/2010	Ordinary Retirement	\$5,762.00
Andres Crespo	12/01/2010	Optional Benefit	\$2,155.21
Luz Carmona	12/01/2010	Vested Retirement	\$2,485.82

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Nat Martell	11/01/2010	Dependent 50%	Rita Martell	\$696.28

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Maureen Parker	10/30/2010	\$12,633.83	Resignation
Kenny Socarras	11/03/2009	\$5,683.63	Resignation
Alexa Fonseca	10/21/2010	\$14,979.68	Resignation
Michael Reyes	06/20/2008	\$52,777.09	Resignation
Kimberly McCoy	11/01/2010	\$28,273.88	Resignation
Hanneh Bandi	10/08/2010	\$19,600.33	Resignation
Lorry Henley	10/26/2010	\$5,548.00	Resignation

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C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Patricia Gonzalez	10/20/2010	0.52	107.5	\$ -	\$ 2,615.88
Osvaldo Perez	10/27/2010	0.51	94.31	\$ -	\$ 1,417.26
Sandy Martinez	10/22/2010	0.50	80.87	\$ -	\$ 1,406.89
Benjy Bien-Aime	10/18/2010	0.52	101.32	\$ -	\$ 1,815.38
Rodney Madison	10/23/2010	0.56	116.35	\$ -	\$ 1,972.57

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>NAME</u>	<u>SWORN STATEMENT SIGNED & NOTARIZED</u>	<u>PRIVATE SECTOR</u>	<u>PRIOR GOV'T</u>	<u>CMB Application Resume or Add'nl back up</u>	<u>CREDITABLE SERVICE PURCHASED</u>
Patricia Gonzales	X	X		X	2.0
Michelle Patrick	X	X	X	X	2.0

C-9 DROP applicants were approved as follows - (none)

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>Name</u>	<u>Date of Check</u>	<u>Voucher</u>	<u>Check Amount</u>	<u>IRS Tax Payment</u>	<u>Tax Payment Date</u>
Janean Maldonado	10/14/2010	112224	\$9,841.19	\$2,460.30	10/15/2010
Robert Casanova	10/14/2010	112225	\$11,949.41	\$2,987.35	10/15/2010
Nancy Alba	10/14/2010	112226	\$10,567.58	\$2,641.90	10/15/2010
Hanneh Bandi	10/18/2010	112246	\$15,680.26	\$3,920.07	10/20/2010

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

C-13 Requests for Payment (Conferences)

Steve Cypen- Legal Services

Legal services rendered for the month of November 2010 \$ 4,500.00

Holland & knight- Legal Fees

Pension Compliance Review Per inv.# 25746694,2563709 \$ 3,614.72

Joan Wall- Bookkeeping

services rendered for the month of November 2010 \$ 350.00

GRS- Actuary Fee

Actuary fees rendered 9/30/10 Per Inv.# 113091 \$ 11,111.00

Fiduciary Trust International- Custody Fees

Qrt.9/30/10 Per Inv.# S14800078061,S14800078053,S14800078054 \$ 7,268.46

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Rhumblin - Investment Management Fees	
Qtr. Ending 9/30/10 Per inv.# 33VF34	\$ 3,750.00
ICC Capital Management- Management Fees	
Qtr. Ending 12/31/10 per Inv.# 57530847	\$ 39,770.19
Wentworth, Hauser, Violich- Investment Fees	
Qtr. Ending 9/30/10 Per Inv. Dated 10/29/10	\$ 73,905.00
Goldstein, Schechter Koch- Auditors	
Progress bill for audit F/Y 2010 Per Inv.# 76917	\$ 4,000.00
FPPTA- Dues & Membership	
2011 Annual Membership Fee	\$ 600.00
I.F.E.B.P.- Dues & Membership	
2011 Annual Membership Fee	\$ 935.00
FPPTA- Dues & Membership	
CPPT Re-certification fee for Jonathan Sinkes	\$ 100.00
SBS Miami Lakes- Copier	
Monthly copier fees per inv.# 162704456	\$ 228.56
CMB Property Management- Office Maintenance	
For the months of Aug. & Sept. Per Inv.# 00019381, 00019405	\$ 3,214.01
CMB Central Services- Printing & Postage	
For the month of September 2010 Per Inv.# 00019318	\$ 2,310.72
CMB Information Technology- Computer & Phone Use	
Per inv.# 00019780 dated 10/29/10	\$ 2,704.00
Berwyn Group- Verification Search	
Address & Phone Number search Per inv.# 16034	\$ 152.00
Office Depot- Office Supplies	
Per inv.# 534374795001	\$ 59.95
<u>C-13 Requests for Payment (Conferences)</u>	
Warren Green - Conf. & Edu.	
travel exp. reimb. For IFEBP Car & Airfare	\$ 881.40
Waikiki Resort - Conf. & Edu.	
Prepaid travel exp. reimb. For Hotel & parking	\$ 1,428.23
James Boyd - Conf. & Edu.	
travel exp. reimb. For FPPTA PGA WPB	\$ 176.24

REGULAR AGENDA

R-1 Deferred Items -

- A. The Administrator said that he was working on a schedule with Mr. Palmquist for individual members of the IRS 415 limits for calendar year 2011. He said that he hoped to present this schedule at the December 2010 Board meeting.

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R-2 New Items -

- A. GRS Invoice 111633 for Board approval - The Board reviewed GRS Invoice #11633 and Mr. Palmquist's email that explained what items were added to the annual valuation. The Board requested that the Administrator ask Mr. Palmquist to provide more detail regarding the individual cost of each item added to the annual report as well as the cost of the added programming of valuation software.
- B. Request Board Attorney opinion - The Administrator stated that he had reviewed pension ordinance 2010-3693 and the first (1st) reading of pension ordinance 2010-3706. He stated that these ordinances enacted the 2% increase in pension contributions to all employees except employees of the MBERP pension office, employees of the Police & Fire pension office and employees of the Miami Beach Visitor's Convention Authority. Mr. Cypen agreed with the Administrator's interpretation. Ms. Walker said that she would advise the HR department of this fact before the 2nd reading of pension ordinance 2010-3706.
- C. Update on VCP Submission - Mr. Cypen reviewed the latest correspondence from Margaret Saito, voluntary compliance specialist, from the Internal Revenue Service.
- D. Pension Charter Legal Opinion - Mr. McKinnon requested that Mr. Cypen give an opinion regarding whether the recently enacted pension ordinances that established a 2% pension contribution to all employees are valid even though the matter did not go to referendum as indicated by the City Charter. Mr. Cypen said that he would provide a legal opinion at a later date.

R-3 Other Business

- A. Administrator's Report - The Administrator stated that individual retiree check history was accessible via the City's website as Ms. Walker had initially presumed at last month's meeting. Ms. Walker said that all employees do not receive direct deposit advices any longer. She said that employees must first register on the City's portal to the Eden payroll system and then they may access their current or historical paycheck information.

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A discussion ensued regarding eliminating a direct deposit paper advice for all retirees since they could obtain this information on the City's website thereby creating an immediate printing and postage cost savings. The Administrator said that a transition period would be necessary in order to announce to all retirees that they would no longer be receiving a paper direct deposit advice.

The Administrator said that he would send out a notice to all retirees advising retirees of this matter as well as providing instructions for first time registration on the City's web portal.

A motion was made by Ms. Walker duly seconded by Mr. Cruz, and unanimously

RESOLVED That paper direct deposit advices be eliminated beginning with the July 1, 2011 retiree payroll.

A discussion ensued regarding the possibility of changing all monthly pension board agendas to electronic copies as well as having all investment managers provide electronic copies of their quarterly investment reports. It was suggested that the Board members could have iPads to view pension information. The Administrator was instructed to research the possible cost savings of implementing this change.

R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle reviewed his quarterly performance report for the quarter ending September 30, 2010. He said that the Fund had an increase of \$25.0MM from the prior quarter for a total fund balance of \$378,009,378. He said that the Fund's rate of return was 9.2% for the quarter and 11.3% for the fiscal year ending September 30, 2010. Mr. Cottle reviewed the value added performance, individual manager performance and the risk/reward ratios per the Report.

Mr. Cottle discussed the recent underperformance of ICC Management. He said that one very bad quarter had skewed all historical performance numbers for ICC. A discussion ensued on terminating ICC for poor performance. No action was taken at this time. This concluded Mr. Cottle's quarterly presentation.

- B. Fixed Income Manager presentations - Mr. Zander Grant, from Wellington Management, reviewed Wellington's investment performance per the quarterly report.

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R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Mr. Cruz and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:10 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary